

Energy Assistance Protection Act

SB685/ HB1224

Sponsors: Senator Washington / Delegate Lierman
Hearing Date: Senate Finance Committee 2/25/2020



PROBLEM:

1999 Electric Choice Act costs low-income consumers more for energy.

\$600 million more: Amount Marylanders overpaid for switching to deregulated suppliers during 2014-2018.

Heavy direct sales focus in low-income zip codes resulted in higher prices paid and higher enrollments.

\$525 more per account: Amount that households received energy assistance households **overpaid** in 1 year for choosing deregulated energy.

\$10 million: Yearly estimate of state energy assistance that goes to third-party suppliers in the form of higher energy prices.

SOLUTION:

Protect intended purpose of state energy assistance program.

Ensure that households receiving energy assistance grants pay utility standard rates by eliminating energy supplier contracts.

BENEFITS:

Maximize efficiency of limited state energy assistance budget.

Protect low-income households from undue financial harm due to high supplier charges (heat or eat conflicts).

WHAT YOUR CONSTITUENTS EXPERIENCE

Aggressive one-to-one door/phone sales - Promise of savings - Tricky contracts, teaser rates to variable rates - High exit fees.

BGE SUPPLY PRICE COMPARISON INFORMATION	
<p>BGE Supply Price Comparison Information: The current price for Standard Offer Service (SOS) electricity is 8.076 cents/kWh, effective through May 31, 2019. SOS electricity will cost 6.731 cents/kWh beginning June 1, 2019 through September 30, 2019. The weighted average price of SOS electricity will be 7.587 through September 30, 2019. The price for SOS from October 1, 2019 through May 31, 2020 will be set in May 2019.</p>	
<p>Electric Supplier Charges ██████████ ENERGY, L.P. Billing Period: Nov 12, 2018 - Dec 12, 2018</p>	
ELECTRICITY SALES 1048 KWH x 0.1979	207.40
Total Electric Supplier	\$207.40
<p>All inquiries on above supplier billing should be directed to ██████████ at 877.██████████</p>	

1,048 KWH USED	X \$0.08076 PER KWH

\$84.64	would've paid BGE
1,048 KWH USED	X \$0.1979 PER KWH

\$207.39	paid Supplier X

+ \$122.76

Energy Supplier Reform Coalition

Nonprofits, congregations, citizens and consumer groups taking action to reform Maryland's deregulated residential third-party energy supplier market.



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